

**UNIT IV
ECONOMICS
LESSON 1**

MCQ

Q.1 The total income of the country divided by its total population is Called:

- (a) National income (b) Per capita income
(c) Total income (d) None of these

Q.2 Which organization publishes the Human Development Report:

- (a) WHO (b) UNDP
(c) WTO (d) IMF

Q.3 Development of a country generally be determined by:

- (a) its per capita income (b) its literacy level
(c) health status of its people (d) all above

Q.4 As per Human Development Report 2006 which neighboring country has the highest income following –

- (a) Sri Lanka (b) India
(c) Pakistan (d) Nepal

SHORT ANSWER TYPE QUESTIONS

Q.1 Why do different people have different goals for development?

Ans: Different people have different goals for development because:

Different people have different aspiration and desire. Some may like to have more income and better quality of education for their children, while others may require no social discrimination and high support price for their crops. So according to the living conditions and the environment in which the person stays, he or she pursue for the goals. People seek things that are most important for them i.e., that which can fulfill their aspiration or desires.

Q.2 Why average income is taken into consideration instead of total income while making comparison between countries?

Ans: The total income of the country is the income of all the residents of the country. For comparison between countries, total income is not such a useful measure. Since countries have different population, comparing total income will not tell us what an average people is likely to earn. Hence we compare the average income which is the total income of the country divided by its total population.

$$\text{So, Average income} = \frac{\text{Total income}}{\text{Total population}}$$

The average income is also called per capita income.

Q.3 Write a paragraph on your nation that what should India do, to become a developed country?

- Ans.(i) Control the rate of increasing population.
(ii) Use of latest technology, irrigation facility, chemical fertilizers, and all information should be provided to farmers.
(iii) New economic policy, international trade, liberalization and globalization should be adopted sincerely and effectively.
(iv) Adequate facilities related with infrastructure, education, health, electricity, water, transport etc should be provided to all people of all regions and areas.

Q.4 What is the main criteria used by the World Bank in classifying different countries? What are the limitations of this criterion, if any?

Ans : **Per capita income** is the main criteria used by World Bank.

Limitations of per capita income:

- It enables to show how income is distributed among the people of the country.
- Cost of pollution is not considered in this average.
- Some other important aspects like infant mortality rate, literacy rate, net attendance ratio etc are not considered while calculating per capita income.

LONG ANSWER TYPE QUESTIONS

Q.1 What is meant by sustainable economic development? Give its main features.

Ans: Sustainable development may be defined as development that meets the need of the present generation without compromising the need of ability of the future generations to meet their own needs. Environment and economy are inter-dependent and complementary to each other. Hence the process of development should not ignore environmental issues.

The main features of sustainable development are as follow:

- (i) It stresses meeting the needs of the present generation and future generation.
- (ii) There should be restraints on wasteful luxurious consumption pattern.
- (iii) Efforts should be made to invent environment friendly technology.
- (iv) Fast growing population should be effectively checked.

Q.2. What is human development index? Who has prepared it? Write about basic components of human development measurement.

Ans : Human development index is the cumulative measurement of the overall development of the people of a country.

It was prepared by United Nation Development Organization and it is published by UNDP.

The basic components of human development index are as follow:

- a. **Life expectancy at birth-** It denotes average expected length of life of a person at the time of birth. It is measured in terms of life expectancy in years.
- b. **Literacy-** It is measured by gross enrolment ratio for three levels means enrolment ratio for primary school, secondary school and higher education beyond secondary school.

Per capita income- It is calculated in dollars for all countries so that it can be compared. It is also done in a way so that every dollar would buy the same amount of goods and services in any country.

Answer key of MCQ: 1. (b) 2. (b) 3. (d) 4. (a)